

**EXHIBIT JJ TO  
CISNEROS DECLARATION  
REDACTED VERSION**

1 UNITED STATES DISTRICT COURT  
2 NORTHERN DISTRICT OF CALIFORNIA  
3 SAN JOSE DIVISION  
4  
5

6 IN RE: HIGH-TECH EMPLOYEE )  
7 ANTITRUST LITIGATION )  
8 ) No. 11-CV-2509-LHK  
9 THIS DOCUMENT RELATES TO: )  
10 ALL ACTIONS. )  
11 \_\_\_\_\_ )  
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14 CONFIDENTIAL - ATTORNEYS' EYES ONLY  
15 VIDEO DEPOSITION OF PAUL OTELLINI  
16 January 29, 2013  
17  
18

19 REPORTED BY: GINA V. CARBONE, CSR NO. 8249, RPR, CCRR  
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22  
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09:25:33 1 A. No.

09:25:35 2 Q. And did you ever take away notes from any of  
09:25:39 3 the Google board meetings?

09:25:40 4 A. No.

09:25:41 5 Q. And in preparation for any of the Google board  
09:25:45 6 meetings or subcommittees of the Google board, did you  
09:25:47 7 ever make notes or make any kind of other written  
09:25:51 8 record?

09:25:52 9 A. Well, as I said earlier, I would make --  
09:25:54 10 particularly in the LDCC book -- I would make notes and  
09:25:58 11 questions to ask when I got to the meeting.

09:26:01 12 Q. And you've not kept any of those; is that  
09:26:03 13 correct?

09:26:03 14 A. No. Yes, that's correct.

09:26:07 15 Q. Who told you not to keep any records?

09:26:09 16 MR. PICKETT: Objection. No foundation.

09:26:11 17 MR. SAVERI: Q. Did anybody tell you not  
09:26:12 18 to keep them?

09:26:14 19 A. No.

09:26:24 20 Q. During the time -- or during -- well, strike  
09:26:27 21 that.

09:26:30 22 At any meeting of the Google board or the LDCC,  
09:26:36 23 or any communications with any of its members  
09:26:40 24 surrounding the functions of those groups, did you ever  
09:26:44 25 discuss how or in what amounts Intel compensated its

09:26:53 1 employees?

09:26:56 2 MR. PICKETT: Can you read that back? It's a  
09:26:57 3 little long.

09:26:58 4 THE WITNESS: Could you please. Yeah.

09:27:13 5 (Record read as follows: At any meeting of the  
09:27:13 6 Google board or the LDCC, or any communications  
09:27:13 7 with any of its members surrounding the  
09:27:13 8 functions of those groups, did you ever discuss  
09:27:13 9 how or in what amounts Intel compensated its  
09:27:13 10 employees?)

09:27:16 11 THE WITNESS: Generally, no. I can remember  
09:27:18 12 one specific instance where I liked Intel's format for  
09:27:23 13 how we looked at our vice president and above  
09:27:27 14 compensation and sent that to them and said could we  
09:27:29 15 see -- could I see the Google information in a similar  
09:27:32 16 format.

09:27:33 17 MR. SAVERI: Q. So other than that one  
09:27:38 18 occasion, you don't recall ever sharing or  
09:27:42 19 communicating information regarding how Intel  
09:27:46 20 compensated or paid its employees with the Google  
09:27:49 21 board or its subcommittees?

09:27:51 22 A. We may have had a conversation if it was, you  
09:27:53 23 know, what's -- how do you handle meritocracy, how do  
09:28:00 24 you handle equity versus bonuses, those kind of -- at  
09:28:02 25 the philosophical level. I know that -- at least Intel

09:28:06 1 participates in giving its comp data to an organization  
09:28:13 2 which anonymizes it for industry surveys.

09:28:17 3 Q. So just focusing on that last piece, those are  
09:28:20 4 third-party survey companies, correct?

09:28:22 5 A. Yes, they are.

09:28:23 6 Q. And in connection with those -- strike that.

09:28:31 7 Does Intel provide information to those survey  
09:28:33 8 companies?

09:28:34 9 A. I believe we do.

09:28:35 10 Q. And does Intel also subscribe to the surveys  
09:28:37 11 that those survey companies prepare?

09:28:40 12 A. I would assume so but you need to ask the HR  
09:28:42 13 folks.

09:28:42 14 Q. When you say "the HR folks," who -- are there  
09:28:45 15 particular people --

09:28:46 16 A. You could start with Richard Taylor who is our  
09:28:49 17 senior VP and director of HR.

09:28:51 18 Q. Do you have the names of any of those survey  
09:28:53 19 companies in mind?

09:28:54 20 A. No.

09:28:55 21 Q. So other than the surveys, and I guess what you  
09:29:07 22 characterize as a philosophical discussion, I think you  
09:29:10 23 identified at least one occasion where you provided more  
09:29:14 24 specific information to Google board members regarding  
09:29:18 25 Intel's compensation structure; is that correct?

09:29:22 1 A. I sent a table over that talked about how our  
09:29:28 2 various VPs are compensated relative -- I think it was  
09:29:32 3 equity areas -- I wanted to see the amount in dollars  
09:29:35 4 versus share units. And Google was showing them in  
09:29:37 5 share units at the time, so it was difficult to  
09:29:40 6 calculate how much Google was proposing to pay different  
09:29:44 7 levels of their vice presidents.

09:29:46 8 Q. And so where did you get the information from  
09:29:49 9 Intel?

09:29:50 10 A. From reports that I had seen at Intel.

09:29:52 11 Q. And how did you send it to the Google people?

09:29:55 12 A. I don't know if I handed it to her, to Shona,  
09:29:57 13 or mailed it to her or Laszlo. It was a long time ago.

09:30:09 14 Q. In your role, with respect to the Google board  
09:30:15 15 or the LDCC, did you ever see or receive similar  
09:30:20 16 information from other companies other than Google?

09:30:25 17 A. Oh, no. Not that I know of. I mean, they  
09:30:27 18 would have their version of market. And they would talk  
09:30:32 19 about market, but I assumed it came from third-party  
09:30:36 20 data sources.

09:30:36 21 Q. So I guess what I'm trying to figure out is, I  
09:30:39 22 understand that you sent around or -- I don't want to  
09:30:45 23 put words in your mouth. You transmitted, in some  
09:30:48 24 fashion to Shona Brown, some information about Intel's  
09:30:52 25 system?

09:30:52 1 MR. PICKETT: You mean in that one instance?

09:30:54 2 MR. SAVERI: Q. Yes.

09:30:55 3 A. Yeah, but it's not confidential information.

09:30:57 4 Q. So I guess I'm curious. Did you -- was that  
09:31:00 5 information circulated to other participants in the LDCC  
09:31:05 6 or other board members?

09:31:06 7 A. I think it was actually published in the book.  
09:31:09 8 Because they responded to -- or I can't remember if it  
09:31:11 9 was in the book or what. But they did respond to my  
09:31:14 10 request by changing their format so I could see the  
09:31:19 11 Google officers' compensation ranges in a format that I  
09:31:24 12 was comfortable with.

09:31:26 13 Q. Did Mr. Levinson who was at Genentech at the  
09:31:30 14 time, or Mr. Campbell who was at Intuit at the time,  
09:31:32 15 ever provide similar information from their companies  
09:31:35 16 that you saw?

09:31:36 17 A. Not that I'm aware of.

09:31:38 18 Q. Now, in connection with your role at Google,  
09:31:41 19 were you asked, from time to time, to approve increased  
09:31:46 20 compensation to deal with competitive threats from other  
09:31:50 21 companies that sought to hire Google employees?

09:31:53 22 A. Yes.

09:31:55 23 Q. Could you describe generally what the -- what  
09:31:59 24 the problem was or when you had to do that?

09:32:03 25 A. Well, specifically there was a threshold above

09:32:07 1 which [REDACTED]

09:32:12 2 [REDACTED]

09:32:15 3 [REDACTED] [REDACTED]

09:32:21 4 [REDACTED] it

09:32:25 5 came to us. So something in that range.

09:32:28 6 Q. Well, did -- is it fair to say that Google

09:32:45 7 sought to raise compensation to its employees in those

09:32:51 8 circumstances in order to retain them?

09:32:55 9 A. [REDACTED]

09:32:58 10 [REDACTED] [REDACTED]

09:33:00 11 [REDACTED]

09:33:03 12 [REDACTED] [REDACTED]

09:33:07 13 [REDACTED]

09:33:12 14 [REDACTED]

09:33:15 15 Q. Well, you approved these counteroffers

09:33:16 16 yourself, didn't you?

09:33:17 17 A. [REDACTED]

09:33:19 18 Q. But you were asked to vote, correct?

09:33:21 19 A. Yes.

09:33:22 20 Q. And you voted yourself, right?

09:33:24 21 A. Yes.

09:33:25 22 Q. And you made up your own mind with respect to

09:33:27 23 that vote, right?

09:33:27 24 A. Yes.

09:33:28 25 Q. And when you approved it, generally, could you



09:33:30 1 describe for me why you thought it was in Google's  
09:33:33 2 interest to approve it?

09:33:34 3 A. Well, usually they were, you know, [REDACTED]

09:33:38 4 [REDACTED] [REDACTED]

09:33:42 5 [REDACTED] [REDACTED]

09:33:46 6 [REDACTED] [REDACTED]

09:33:48 7 [REDACTED]

09:33:50 8 [REDACTED]

09:33:54 9 [REDACTED]

09:33:58 10 [REDACTED]

09:34:01 11 [REDACTED]

09:34:04 12 [REDACTED]

09:34:07 13 The art of how algorithms work and so forth in  
09:34:11 14 search is very arcane. And that knowledge base of how  
09:34:15 15 the company operated, you know, on a -- is a very  
09:34:19 16 competitive, I think, trade secret that they would want  
09:34:22 17 to retain. So the argument was always [REDACTED]

09:34:25 18 [REDACTED]

09:34:29 19 [REDACTED]

09:34:32 20 [REDACTED] [REDACTED]

09:34:36 21 [REDACTED]

09:34:37 22 Q. Fair enough. But is it fair to say that all  
09:34:40 23 the people -- well, is it fair to say that the  
09:34:47 24 counteroffers that you were asked to approve weren't  
09:34:51 25 limited to engineers or people who were working on

09:57:13 1 MR. SAVERI: Yes. Sorry about that.

09:57:18 2 Q. Are you aware that Intel had agreements with  
09:57:21 3 certain other companies that limited the ability of the  
09:57:25 4 parties to those agreements to recruit each other's  
09:57:30 5 employees?

09:57:31 6 A. Well, I was not aware of it at the time. I  
09:57:33 7 became aware that we had a list of companies as part of  
09:57:36 8 the prep for this deposition.

09:57:38 9 Q. Okay. And prior to the prep for the  
09:57:41 10 deposition, just so I'm clear, you weren't aware of  
09:57:43 11 that?

09:57:44 12 A. No.

09:57:49 13 MR. PICKETT: Meaning -- your double  
09:57:51 14 negatives --

09:57:52 15 MR. SAVERI: Okay. Let me ask a better  
09:57:54 16 question.

09:57:55 17 MR. PICKETT: -- require some clarification.

09:57:56 18 MR. SAVERI: Fair enough. And I'll try again.

09:57:59 19 Q. Before the prep -- and when you said the prep,  
09:58:02 20 I'm assuming you are talking about the preparation for  
09:58:04 21 the deposition today, correct?

09:58:05 22 A. And the whole trial. You know, the Consent  
09:58:08 23 Decree stuff.

09:58:09 24 Q. Okay. Before that preparation, were you aware  
09:58:14 25 that Intel had agreements with certain other companies

09:58:18 1 that limited the ability of Intel and the other  
09:58:25 2 companies to recruit each other's employees?

09:58:31 3 A. No. But I think that what I did learn was it  
09:58:33 4 wasn't a limiting on recruiting or limiting on hiring,  
09:58:37 5 it was a -- it was a don't solicit, as I understand it.  
09:58:42 6 But I wasn't involved in creating it.

09:58:44 7 Q. And I was using recruiting broadly, but fair  
09:58:47 8 enough. I appreciate the clarification.

09:58:50 9 Now, did -- did Intel have an agreement with  
09:59:01 10 Google not to recruit each other's employees in any  
09:59:07 11 fashion?

09:59:09 12 A. Well, I have subsequently learned that Intel  
09:59:14 13 had an agreement -- Intel had a practice to not go after  
09:59:19 14 Google people, which I wasn't aware of. And, you know,  
09:59:23 15 there are instances of Google trying to hire key Intel  
09:59:28 16 engineers that I did talk to Eric about, which I'm sure  
09:59:30 17 we're going to talk about.

09:59:41 18 Q. Do you believe that the agreement that you just  
09:59:44 19 identified with Google was consistent with the code  
09:59:47 20 of -- with the Intel code of conduct that we just went  
09:59:51 21 over?

09:59:52 22 A. Which agreement?

09:59:52 23 MR. PICKETT: I think you misspoke, or at least  
09:59:54 24 you ought to look back at the answer.

09:59:59 25 MR. SAVERI: Q. Well, let me go back to

10:00:00 1 that. Now, do you know -- strike that.

10:00:08 2 Are you aware that Intel had an agreement with  
10:00:11 3 Pixar that limited the ability of Intel and Pixar to  
10:00:19 4 recruit each other's employees?

10:00:20 5 A. I have no knowledge of that directly.

10:00:23 6 Q. When you say you don't have any knowledge of  
10:00:24 7 that directly, what do you mean by that?

10:00:26 8 A. Well, I mean I heard their name on a list of  
10:00:30 9 companies as part of the prep for this.

10:00:31 10 Q. Okay.

10:00:32 11 MR. PICKETT: And I'd advise that any  
10:00:34 12 information obviously coming through the attorney is off  
10:00:38 13 grounds.

10:00:39 14 MR. SAVERI: That's fair.

10:00:39 15 Q. And I just -- I just wanted to know when you  
10:00:43 16 said directly what you meant by that.

10:00:45 17 Now, are you aware that Intel had an agreement  
10:00:50 18 with Apple that limited the ability of Intel and Apple  
10:00:56 19 to recruit each other's employees?

10:00:58 20 A. Same answer. No.

10:01:09 21 Q. Are you aware that Intel had an agreement with  
10:01:12 22 Sun Microsystem that limited the ability of Intel and  
10:01:16 23 Sun Microsystem to recruit each other's employees?

10:01:19 24 A. I don't know if they're -- someone mentioned  
10:01:21 25 this list to me as part of the prep. I don't remember

11:04:32 1 Q. Okay. At any point in time between the time  
11:04:47 2 you became the Intel CEO and today, did you become aware  
11:04:52 3 that there was a -- an agreement of the type set forth  
11:04:55 4 here between Apple and Adobe?

11:04:58 5 A. No.

11:05:01 6 Q. Did you -- during that time period, did you  
11:05:03 7 ever become aware that there was an agreement of the  
11:05:06 8 type described here between Apple and Pixar?

11:05:08 9 A. No.

11:05:11 10 Q. During that period of time, did you ever become  
11:05:13 11 aware that there was an agreement of the type described  
11:05:15 12 here between Google and Intuit?

11:05:17 13 A. No.

11:05:18 14 Q. Okay. Was the subject of the agreement between  
11:05:21 15 Google and Intuit ever discussed at a Google board  
11:05:24 16 meeting that you attended?

11:05:25 17 A. No.

11:05:26 18 Q. Or any subcommittee of a Google board?

11:05:30 19 A. No.

11:05:30 20 Q. Was it ever discussed between you and any  
11:05:32 21 executive or employee of Google, including Mr. Schmidt,  
11:05:35 22 Mr. Page, or Sergey Brin?

11:05:38 23 A. This is Google-Intuit, right?

11:05:40 24 Q. Yes.

11:05:41 25 A. No.

11:05:41 1 Q. Did you ever discuss this -- the subject at all  
11:05:45 2 with Mr. Campbell? Mr. Bill Campbell?  
11:05:49 3 A. No.  
11:06:05 4 Q. Did you know Steve Jobs?  
11:06:06 5 A. Yes.  
11:06:09 6 Q. How frequently did you talk to Mr. Jobs while  
11:06:12 7 you were the CEO of Intel?  
11:06:14 8 A. It would depend on, you know, whether we were  
11:06:19 9 deeply engaged in projects or not. But certainly no  
11:06:21 10 less than once a quarter.  
11:06:23 11 Q. Okay. I mean, would you characterize your  
11:06:27 12 communications with Mr. Jobs as frequent?  
11:06:30 13 A. Again, it depends on whether we were working on  
11:06:33 14 something directly or just having ongoing business.  
11:06:35 15 Q. You said that you -- I think you said just a  
11:06:38 16 second ago that you spoke with Mr. Jobs at least once a  
11:06:41 17 quarter?  
11:06:41 18 A. Yes.  
11:06:42 19 Q. Were there times when you spoke with him more  
11:06:43 20 frequently?  
11:06:45 21 A. Certainly.  
11:06:47 22 Q. And can you generally describe for me why you  
11:06:50 23 would -- why you spoke to Mr. Jobs more frequently?  
11:06:53 24 A. Well, if we were engaging -- obviously when the  
11:06:56 25 initial Apple-Google -- too many companies here.

11:07:01 1 Apple-Intel --

11:07:01 2 Q. Sir, I'm glad you did it. I thought it was  
11:07:04 3 only me.

11:07:05 4 A. When the original Apple-Intel design win  
11:07:08 5 happened, I was with Steve for several months, you know,  
11:07:11 6 several times a week over several months for working on  
11:07:16 7 the agreement. And then we went into implementation  
11:07:19 8 mode and we managed the business and, you know, on a  
11:07:21 9 quarterly basis with executive meetings.

11:07:24 10 Q. During that period of time when you were  
11:07:26 11 speaking more frequently with Mr. Jobs, did you discuss  
11:07:28 12 the subject of recruiting or soliciting each other's  
11:07:36 13 employees?

11:07:37 14 A. No.

11:07:37 15 Q. The subject never came up?

11:07:39 16 A. No.

11:07:39 17 Q. Did he ever tell you at any time that he had  
11:07:42 18 reached agreements with executives at other technology  
11:07:46 19 companies not to recruit each other's employees?

11:07:48 20 A. No.

11:08:08 21 Q. Now, going back for a second, again, to the  
11:08:11 22 agreement between you and Mr. Schmidt, can you identify  
11:08:15 23 any collaboration between Intel and Google that occurred  
11:08:20 24 after that point in time that wouldn't have happened  
11:08:23 25 absent the agreement between Google and Intel?

11:08:30 1 MR. PICKETT: No foundation. Objection.

11:08:33 2 THE WITNESS: Does that mean I answer?

11:08:34 3 MR. PICKETT: You can try. But let's read the  
11:08:36 4 question back.

11:08:37 5 MR. SAVERI: I'm sorry. Why don't you read the  
11:08:39 6 question back.

11:08:39 7 And I'd like an answer, please.

11:08:56 8 (Record read as follows: Now, going back for a  
11:08:56 9 second again to the agreement between you and  
11:08:56 10 Mr. Schmidt, can you identify any collaboration  
11:08:56 11 between Intel and Google that occurred after  
11:08:56 12 that point in time that wouldn't have happened  
11:08:56 13 absent the agreement between Google and Intel?)

11:08:58 14 THE WITNESS: As I think about the agreements,  
11:09:02 15 so the collaboration, we had one in the data center, we  
11:09:05 16 had one in data center efficiency, we had one in search  
11:09:11 17 optimization, we had one around Google TV, we had one  
11:09:15 18 around Android, one around Chrome, Chrome OS. All of  
11:09:23 19 those -- all of those happened. It's speculative to say  
11:09:28 20 I don't know that anything would not have happened in  
11:09:30 21 the absence of the agreement.

11:09:33 22 But, you know, the companies were working well  
11:09:36 23 together and were engaged broadly in a wide array of  
11:09:43 24 projects as I delineated.

11:09:44 25 MR. SAVERI: Q. Now, prior to 2006 when



11:09:47 1 you entered the agreement with Mr. Schmidt, had --  
11:09:50 2 or strike that.

11:09:53 3 Prior to the time that you had reached the  
11:09:55 4 agreement with Mr. Schmidt in 2006, had Google and Intel  
11:10:00 5 collaborated on certain projects?

11:10:03 6 A. Well, we -- I can't remember when the data  
11:10:06 7 center optimization work started, which is what led to  
11:10:10 8 the first instance. It may have been in 2005, but I  
11:10:15 9 doubt in the 2003-04 time frame that it existed.  
11:10:20 10 Nothing that I can recall before, say, late '05.

11:10:25 11 Q. And just so I'm clear about your testimony, was  
11:10:28 12 the first collaboration, then, this data center in late  
11:10:32 13 2005? When I say collaboration, I mean collaboration  
11:10:35 14 between Intel and Google.

11:10:36 15 A. Obviously Google was using Intel parts for  
11:10:39 16 their data centers. Intel was designing the -- designed  
11:10:43 17 boards for the data centers in the early days for them  
11:10:45 18 and before the IPO. I don't know that we had on-site  
11:10:54 19 engineers, which is really what the genesis of the  
11:10:57 20 original incident was.

11:11:00 21 Q. Now, you said in your answer a few minutes ago  
11:11:03 22 that you had a collaboration -- when I say you, I'm  
11:11:06 23 saying -- I mean Intel. That you said that Intel had a  
11:11:10 24 collaboration between Google and Intel regarding search  
11:11:14 25 optimization; do you recall that?

11:11:15 1 A. Yes.

11:11:16 2 Q. When did that collaboration begin?

11:11:20 3 A. It was certainly in effect in early '06. I  
11:11:22 4 can't give you the time when it began. And that was  
11:11:25 5 around tuning -- helping them tune their software to run  
11:11:30 6 faster on the new generation of Intel chips.

11:11:38 7 Q. In terms of Intel's structure, who was the  
11:11:42 8 person at Intel that was responsible for that search  
11:11:46 9 optimization collaboration?

11:11:49 10 A. Well, the work involved Intel experts in  
11:11:52 11 microprocessor architecture, in compilers and in  
11:11:57 12 optimization tools. And those activities at that time  
11:12:05 13 spanned a number of Intel executives.

11:12:08 14 Q. Can you identify the one or two or three  
11:12:11 15 people?

11:12:12 16 A. Well, on the processor architecture it would  
11:12:18 17 have been under Pat Gelsinger. Under the compilers it  
11:12:23 18 would have been Richard Wirt. And under the -- and the  
11:12:30 19 tools, I think were under Renee James at the time.

11:12:34 20 Q. Now, you also mentioned a collaboration between  
11:12:38 21 Google and Intel regarding Google TV, I believe; is that  
11:12:42 22 correct?

11:12:42 23 A. Yes, I did.

11:12:43 24 Q. And when did that collaboration begin?

11:12:53 25 A. I can't give you -- Google TV was launched, I

11:12:56 1 think, in 2010. So probably began a year before that.

11:13:07 2 Q. And who, at Intel, was responsible for that  
11:13:10 3 collaboration?

11:13:14 4 A. It was under a gentleman who is no longer with  
11:13:16 5 us named Eric Kim.

11:13:19 6 Q. And how long did that collaboration last?

11:13:23 7 A. Probably two years.

11:13:26 8 Q. And you also mentioned that there was  
11:13:29 9 collaboration about -- around Android, Chrome,  
11:13:34 10 Chrome OS. Do you recall --

11:13:37 11 A. Three separate topics.

11:13:38 12 Q. And that was my question. When did the  
11:13:40 13 collaboration around Android begin?

11:13:43 14 A. Several years ago.

11:13:45 15 Q. Was it before or after the agreement with  
11:13:47 16 Mr. Schmidt?

11:13:49 17 A. Several years ago, so....

11:13:53 18 Q. Who at Intel was responsible for that  
11:13:55 19 collaboration?

11:13:56 20 A. I'm sorry, which one are we talking about now?

11:13:59 21 Q. I'm sorry. The Android.

11:14:01 22 A. Android would be under Renee James.

11:14:03 23 Q. You also mentioned, I think the second, was a  
11:14:05 24 collaboration regarding Chrome; do you recall that?

11:14:09 25 A. Chrome browser, yes. Under Renee as well.

11:14:11 1 Q. When did that begin? That collaboration?

11:14:13 2 A. Before the Android one so maybe four years ago.

11:14:16 3 Q. And you also mentioned Chrome OS, which is a

11:14:19 4 different one than the Chrome browser, correct?

11:14:21 5 A. Right. It's an operating system.

11:14:23 6 Q. Right.

11:14:24 7 A. And that was -- it would also be under Renee,

11:14:25 8 and that was probably in the last two or three years as

11:14:29 9 well.

11:14:29 10 MR. SAVERI: Okay. So it's -- can we go off

11:14:35 11 the record for a second?

11:14:38 12 THE VIDEOGRAPHER: This is the end of video

11:14:39 13 No. 1. We are now off the record at 11:14.

11:14:50 14 (Recess taken.)

11:16:59 15 THE VIDEOGRAPHER: We are now on the record at

11:29:09 16 11:29. This is the beginning of video No. 2.

11:29:14 17 MR. SAVERI: Q. Going back for a second to

11:29:16 18 your first communication with Mr. Schmidt about the

11:29:20 19 agreement that we've been talking about. Was there

11:29:24 20 someone at Intel who told you that Google was

11:29:29 21 recruiting Intel employees that caused you to call

11:29:33 22 Mr. Schmidt?

11:29:33 23 A. Yes.

11:29:34 24 Q. And who was that?

11:29:36 25 A. It was either Richard Wirt or Renee. I can't

11:41:48 1 time.

11:41:49 2 Q. And that's the same Diane Green who later  
11:41:52 3 served on the Google board; is that correct?

11:41:53 4 A. Yes, it is.

11:41:56 5 Q. At the time of your communication with  
11:41:59 6 Ms. James about the subject, was Ms. Green the CEO of  
11:42:04 7 VMwear?

11:42:04 8 A. Yes, she was.

11:42:08 9 Q. And was that prior to when EMC acquired VMwear?  
11:42:17 10 Do you recall?

11:42:18 11 A. I'd have to go back and look. I don't know.

11:42:20 12 Q. Okay.

11:42:27 13 A. I also have no knowledge of whether Renee ever  
11:42:29 14 talked to Diane, so....

11:42:32 15 Q. That was going to be --

11:42:33 16 A. I don't know what ever happened to that.

11:42:35 17 Q. Let me just follow up on that. It's your  
11:42:37 18 recollection that you asked Renee James to discuss the  
11:42:43 19 subject of an agreement with Diane Green at VMwear,  
11:42:48 20 correct?

11:42:49 21 A. I think I said perhaps we should have a  
11:42:51 22 no-poach kind of thing here on people that -- implicit  
11:42:56 23 in that was we're working together on this stuff.

11:42:59 24 Q. So my question, though, is to figure out where  
11:43:04 25 that --

11:43:04 1 A. What became of it.

11:43:05 2 Q. -- where that went.

11:43:06 3 A. I have no idea. I never followed up. I don't  
11:43:08 4 remember ever hearing of losing people to VMware, so  
11:43:11 5 perhaps it never happened. Who knows.

11:43:13 6 Q. So let me break it up into pieces. Do you know  
11:43:16 7 if Ms. James ever contacted Ms. Green about that  
11:43:18 8 subject?

11:43:19 9 A. I don't know.

11:43:20 10 Q. And do you -- did Ms. James ever tell you  
11:43:23 11 whether or not she had spoken or communicated with  
11:43:26 12 Ms. Green about that subject one way or the other?

11:43:28 13 A. No.

11:43:30 14 Q. As you sit here today, you have no knowledge  
11:43:32 15 one way or another whether Ms. Green or Ms. James ever  
11:43:36 16 discussed that subject?

11:43:37 17 A. No, I don't.

11:43:39 18 Q. Okay. Did Intel continue to collaborate with  
11:43:51 19 EMC after it acquired VMware?

11:43:56 20 A. Oh, yes.

11:43:57 21 Q. Okay. Now, does Intel, or has Intel,  
11:44:10 22 collaborated with Microsoft during the time that you've  
11:44:15 23 been CEO of Intel?

11:44:16 24 A. Yes.

11:44:23 25 Q. On what subjects or products has Intel

11:44:26 1 communicated with -- collaborated with Microsoft?

11:44:29 2 A. Virtually everything we do and everything they  
11:44:31 3 do. I mean the -- you know, most of our chips run  
11:44:37 4 Microsoft software somewhere along the way.

11:44:42 5 Q. Did you ever approach Microsoft about an  
11:44:47 6 agreement or an understanding with them not to solicit  
11:44:52 7 each other's employees?

11:44:54 8 A. No.

11:44:58 9 Q. Has Intel historically solicited employees from  
11:45:02 10 Microsoft?

11:45:07 11 A. There are some people who work for Intel that  
11:45:09 12 used to work at Microsoft. I don't know how they  
11:45:11 13 came -- how they came here.

11:45:14 14 Q. And is the reverse true? Are there people that  
11:45:18 15 work at Microsoft that left Intel to go to work at  
11:45:21 16 Microsoft?

11:45:21 17 A. I don't know. But if you did a venn diagram,  
11:45:24 18 we're mostly chip people. They're not a chip company,  
11:45:27 19 so the intersection is really small.

11:45:30 20 Q. And with that understanding, I'm just asking  
11:45:33 21 the question whether you are aware whether people have  
11:45:35 22 gone from Intel to Microsoft.

11:45:37 23 A. I know, I think, of one person that has gone  
11:45:40 24 from -- but there is probably others.

11:45:45 25 Q. Is it fair to say that Intel has collaborated

11:45:48 1 with a number of companies during the time that you've  
11:45:50 2 been the CEO of Intel?

11:45:52 3 A. Yes.

11:45:54 4 Q. Does Intel have no-solicitation agreements with  
11:45:56 5 any of them to the best of your knowledge, other than  
11:46:00 6 the agreements or companies that we've talked about so  
11:46:04 7 far?

11:46:04 8 MR. PICKETT: Objection. Vague. You've talked  
11:46:07 9 about lots of companies. There has been a lot of  
11:46:08 10 testimony there is no agreements whatever, so it's  
11:46:12 11 hopelessly ambiguous.

11:46:14 12 THE WITNESS: The only agreement I know of with  
11:46:16 13 any company was the one I described with Eric at Google.

11:47:13 14 MR. SAVERI: Q. At any time from, I guess,  
11:47:17 15 2006 when you reached the agreement with Mr. Schmidt  
11:47:21 16 until today, did you ever come to the conclusion  
11:47:24 17 yourself that the agreement that you had reached  
11:47:29 18 with Google was -- was unethical in any respect?

11:47:36 19 A. No. In fact, the Consent Decree, which still  
11:47:40 20 allows it, validates my thinking that it was very fair.

11:47:44 21 Q. During that time, did you ever come to the  
11:47:47 22 personal conclusion that it was wrong to withhold  
11:47:58 23 information regarding the fact of that agreement from  
11:48:03 24 any employees at Intel?

11:48:05 25 A. No. Because if someone wanted to go to work at



11:48:08 1 Google, they certainly had every ability to. The jobs  
11:48:11 2 were posted. The recruiters were widely available. We  
11:48:17 3 had no policy or means of policing the policy, the  
11:48:22 4 agreement that we talked about, and people left Intel in  
11:48:26 5 large numbers to go to Google. So I don't think there  
11:48:28 6 were any ethics -- any ethics that -- at risk there.

11:48:38 7 Q. Now, would you turn back to what was previously  
11:48:42 8 marked as Exhibit 166. It's the Final Judgment. I  
11:48:45 9 think you have the Competitive Impact Statement in front  
11:48:48 10 of you.

11:48:49 11 A. Yeah.

11:48:54 12 Q. Do you have that document in front of you?

11:48:55 13 A. I do.

11:48:56 14 Q. Could you turn to page 5, to the section which  
11:48:59 15 is Roman IV, Prohibited Conduct. Do you have that in  
11:49:04 16 front of you?

11:49:04 17 A. Yes.

11:49:05 18 Q. And if you will read along with me it says,  
11:49:08 19 "Each defendant is enjoined from attempting to enter  
11:49:10 20 into, entering into, maintaining or enforcing any  
11:49:14 21 agreement with any other person to in any way refrain  
11:49:20 22 from, requesting that any person in any way refrain  
11:49:24 23 from, or pressuring any person in any way to refrain  
11:49:27 24 from soliciting, cold calling, recruiting, or otherwise  
11:49:31 25 competing for employees of the other person."

02:02:46 1 would.

02:02:46 2 Q. Fair enough. Now, going back for a second, do  
02:02:58 3 you believe that -- are you aware whether or not at any  
02:03:04 4 time Intel tried to track or report on where or which  
02:03:14 5 companies Intel employees left for?

02:03:17 6 A. That's the question you asked me before. I  
02:03:19 7 don't know. Like I said, sometimes people don't tell  
02:03:22 8 you. So whether they aggregate it or whether they take  
02:03:26 9 judgment on it, I can't answer.

02:03:31 10 Q. If Intel did try to study that, would that also  
02:03:35 11 be something you would expect to be done by the HR  
02:03:39 12 department?

02:03:40 13 A. Yes.

02:03:40 14 Q. Okay. Now, going back for a second to the  
02:03:53 15 materials you saw regarding Intel that you saw when you  
02:03:57 16 were at -- when you participated on the Google board.

02:04:01 17 A. Yes.

02:04:03 18 Q. Can you tell me generally whether the amount of  
02:04:11 19 employees that left Intel for Google declined or  
02:04:17 20 increased in a material way over the years? Was there  
02:04:21 21 ever any trend that you can remember?

02:04:23 22 A. I -- I mean, it's not something I ever tracked  
02:04:25 23 or reported on. So as I read the book, it -- it popped  
02:04:29 24 up. I know we were not in the top two companies, kind  
02:04:33 25 of watched that. We were always sort of in the top 10,

02:04:37 1 12 companies.

02:04:38 2 Q. That's what I was curious about. Were there  
02:04:40 3 ever times when you thought, well, jeez, this is really  
02:04:43 4 something, a lot of people are leaving Intel for Google?

02:04:46 5 A. Well, not really. Because, again, as I said we  
02:04:48 6 weren't in the top two companies. The top two companies  
02:04:51 7 are other software companies, so that makes sense that  
02:04:53 8 Google would hire a lot of other software people into a  
02:04:56 9 software company.

02:04:57 10 We don't have, in the grand scheme of things,  
02:04:59 11 that many software people, and Google is not going to  
02:05:02 12 hire chip designers or, you know, manufacturing people,  
02:05:05 13 which is half our employment base. So the numbers  
02:05:09 14 were -- you know, my recollection is the biggest year  
02:05:14 15 was [REDACTED] and the smallest year was [REDACTED]  
02:05:18 16 Something like that.

02:05:19 17 Q. And it kind of bounced around in between those  
02:05:21 18 numbers over time?

02:05:22 19 A. I think so. But since I wasn't writing them  
02:05:25 20 down and tracking it, I didn't really -- I never did  
02:05:27 21 anything with it.

02:05:28 22 Q. Okay. Can you recall -- you mentioned that  
02:05:32 23 there were one or two companies that were software  
02:05:36 24 companies that you remember seeing at the top of this  
02:05:38 25 report that was prepared at Google, correct?

02:05:40 1 A. Yes.

02:05:41 2 Q. Which companies were those?

02:05:43 3 A. I don't know that I'm allowed to reveal that.

02:05:47 4 It was -- it's -- I think it's Google proprietary  
02:05:50 5 information.

02:05:51 6 Q. Well --

02:05:52 7 A. So I think you should ask one of the Google  
02:05:53 8 people that information.

02:05:54 9 Q. Well, I think I'm entitled to the answer from  
02:05:57 10 you. If you -- I'm happy that -- if you want to consult  
02:06:00 11 at a break about it. You don't need to do it now. We  
02:06:03 12 can come back to it.

02:06:05 13 MR. PICKETT: Let's come back to it.

02:06:06 14 MR. SAVERI: I don't think it's protected, but  
02:06:08 15 I don't want to hold things up.

02:06:09 16 MR. PICKETT: Sure.

02:06:10 17 (Whereupon, Exhibit 456 was marked for  
02:06:10 18 identification.)

02:06:34 19 MR. SAVERI: Q. Sir, I'm handing you  
02:06:36 20 what's been marked as 456. It's a two-page document  
02:06:42 21 with the Bates Nos. 76613DOC001638 through 1639.

02:06:52 22 Do you have that in front of you?

02:06:53 23 A. Yes, I do.

02:06:54 24 Q. Do you recognize the document?

02:06:56 25 A. All but the graphic in the middle.

02:16:50 1 programmers after this agreement?

02:16:51 2 A. Google?

02:16:52 3 Q. Excuse me. Do you know whether VMwear hired  
02:16:55 4 any Intel programmers after this?

02:16:57 5 A. I don't know.

02:16:59 6 Q. Okay. We're about to run out of tape, so let's  
02:17:05 7 stop. We can either sit here and wait until they --  
02:17:08 8 it's going to take a couple minutes. I'm fine with  
02:17:11 9 waiting.

02:17:12 10 MR. PICKETT: Sure.

02:17:12 11 MR. SAVERI: Unless you need to take a --  
02:17:13 12 stretch your legs or something.

02:17:17 13 THE VIDEOGRAPHER: This is the end of video  
02:17:18 14 No. 2. We are now off the record at 2:17.

02:17:25 15 (Recess taken.)

02:19:00 16 THE VIDEOGRAPHER: We are now on the record at  
02:19:02 17 2:19. This is the beginning of video No. 3.

02:19:21 18 (Whereupon, Exhibit 458 was marked for  
02:19:21 19 identification.)

02:19:37 20 MR. SAVERI: Q. Mr. Otellini, I've handed  
02:19:38 21 you what's been marked as Exhibit 458.

02:19:41 22 Do you have that in front of you?

02:19:42 23 A. I do.

02:19:43 24 Q. It has the Bates No. 76616DOC007593 through  
02:19:51 25 7595. Draw your attention to the top of the first page

02:19:57 1 which is an email from you to Gabrielle Thompson, Patty  
02:20:01 2 Murray, dated September 6th, 2007.

02:20:08 3 Will you take a moment to review it, please.

02:20:15 4 A. Yes. This is -- this looks funny to me.

02:20:20 5 Q. Okay.

02:20:20 6 A. I think it looks like things have been cut out.

02:20:25 7 Q. Well, okay. Maybe we should go through it. I  
02:20:27 8 mean, the copy -- certainly the part where it says  
02:20:30 9 redacted --

02:20:31 10 A. Well, no, up top, even where it says Otellini  
02:20:34 11 doesn't have my name. And I don't know if -- who the  
02:20:38 12 "yes" is from or what it -- is that -- I usually sign my  
02:20:43 13 name, so -- it's not the font I use. So it just doesn't  
02:20:47 14 look familiar. Other parts of the email look familiar.

02:20:50 15 Q. Well, maybe we can work through it. I'm just  
02:20:52 16 working with what I was given.

02:20:54 17 So -- well, let me just start at the top of the  
02:21:08 18 first page where it says "From" and it just has your  
02:21:11 19 last name, Otellini.

02:21:13 20 Do you see that?

02:21:14 21 A. I do.

02:21:17 22 Q. Is it your testimony that you did not write  
02:21:19 23 that email to Gabrielle Thompson?

02:21:21 24 A. It is not familiar nor consistent with a  
02:21:26 25 document I reviewed that had my real response. My full

02:21:29 1 response on it.

02:21:30 2 Q. Okay.

02:21:31 3 A. So I can't look at -- this feels like it's out  
02:21:33 4 of context to me.

02:21:35 5 Q. I'm just trying to figure out whether you  
02:21:37 6 believe you wrote it or not.

02:21:39 7 A. I don't know.

02:21:40 8 Q. Okay.

02:21:41 9 A. It's -- I saw a document that I know I wrote  
02:21:45 10 yesterday that has everything but this top line and a  
02:21:47 11 different header and a different response. So what this  
02:21:51 12 is, and where it came from, I can't help you with.

02:21:58 13 Q. So let me just tell you, the Bates numbers  
02:22:03 14 indicate that Intel produced it to us. So let me just  
02:22:06 15 ask you a couple questions about it and see where we go.

02:22:17 16 Let's just flip to the last page of the  
02:22:19 17 document. At the bottom of the document there is a  
02:22:30 18 little message or an email from looks like Gary Qin,  
02:22:38 19 Q-U-I-N (sic), to Gabrielle Thompson, dated Wednesday,  
02:22:43 20 September 5th, 2007. Starts at the bottom of the second  
02:22:46 21 page and continues over to the top of the third page.

02:22:49 22 A. Yes.

02:22:53 23 Q. Well, first of all, do you know who Gary Quin  
02:22:55 24 is or Qin?

02:22:58 25 A. No.

02:42:03 1 Q. Now, if you'll look at Exhibit 202.

02:42:07 2 A. Yes.

02:42:07 3 Q. Do you have that in front of you?

02:42:09 4 A. I do.

02:42:11 5 Q. And if you look at the top of that email, there

02:42:13 6 is an email to Gabrielle Thompson indicated sent by you

02:42:21 7 dated Thursday, September 6th, 2007 at --

02:42:26 8 MR. PICKETT: To Thompson and Murray.

02:42:29 9 MR. SAVERI: Correct.

02:42:29 10 Q. -- at 7:41 p.m., so approximately 40 minutes

02:42:32 11 after the previous response.

02:42:34 12 A. Yes.

02:42:35 13 Q. Did you write this email, that is, the email

02:42:40 14 that's time stamped at 7:41 p.m. on September 6th, 2007,

02:42:46 15 to Ms. Thompson?

02:42:48 16 A. Yes, I did. It's got my font. My name is on

02:42:50 17 it, so....

02:42:52 18 Q. Okay. Now, thank you. I appreciate your

02:42:55 19 patience with that.

02:43:02 20 You write, "Let me clarify. We have nothing

02:43:06 21 signed."

02:43:06 22 Do you see that?

02:43:07 23 A. Yes.

02:43:08 24 Q. And, "We have a handshake 'no recruit' between

02:43:14 25 Eric and myself."



02:43:16 1 Do you see that?

02:43:17 2 A. Yes, I do.

02:43:18 3 Q. Is that, to the best of your recollection, an  
02:43:21 4 accurate statement of the understanding or the  
02:43:25 5 communications that you had with Mr. Schmidt?

02:43:28 6 A. It's accurate, but I realize in the context of  
02:43:32 7 this note it's ambiguous. I was simply reiterating to  
02:43:37 8 her, clarifying to her, that what I believe was the only  
02:43:40 9 agreement we have, which was between Intel and Google on  
02:43:47 10 collaborative -- deep collaborative engineering  
02:43:50 11 activities.

02:43:50 12 And I realize she's asking me the other side of  
02:43:54 13 that question which is is there anything that prohibits  
02:43:57 14 Intel from recruiting from Google. And the answer would  
02:43:59 15 be no, if I had been more precise about my answer.

02:44:03 16 Q. But first you said "Yes," and then in your  
02:44:08 17 second, 202, you don't say no.

02:44:11 18 A. Well, I don't know that I said yes.

02:44:13 19 Q. Fair enough, sir, let's focus on 202.

02:44:16 20 A. But I'm certainly saying let me clarify, and I  
02:44:18 21 outlined the agreement we did have. And I realized I'm  
02:44:21 22 still not answering precisely her question, I'm  
02:44:23 23 answering the other side of it, which to me was the only  
02:44:26 24 agreement we have.

02:44:27 25 Q. Now, when you say we have a handshake, what did

02:44:30 1 you mean by that? Did you actually ever shake

02:44:34 2 Mr. Schmidt's hand?

02:44:35 3 A. No.

02:44:35 4 Q. It's a figure of speech?

02:44:36 5 A. Yes.

02:44:44 6 Q. But would you agree that when you used

02:44:46 7 "handshake," it was a shorthand for an agreement?

02:44:49 8 A. It was the agreement that we talked about this

02:44:52 9 morning where I asked Eric on those specific instances

02:44:56 10 and he said, yes, I think that's fair.

02:44:59 11 Q. And then you write, "I would not like this

02:45:01 12 broadly known."

02:45:03 13 Do you see that?

02:45:04 14 A. Yes.

02:45:05 15 Q. Why did you tell Ms. Thompson that you did not

02:45:09 16 want this broadly known?

02:45:10 17 A. Because it had nothing to do with her. It was

02:45:13 18 something that I had asked Google to do in terms of

02:45:17 19 their recruitment of Intel people in areas where we had

02:45:21 20 deep collaboration. Gaby, as a recruiter, would have

02:45:26 21 nothing to do with that.

02:46:16 22 Q. Did you ever come to think that the fact that

02:46:18 23 you didn't have anything written down with Mr. Schmidt

02:46:22 24 created a fair amount of ambiguity about exactly what

02:46:25 25 the understanding was between the two companies?

02:46:30 1 A. Not particularly. Remember, this was one way,  
02:46:37 2 right? So there was nothing for Intel people to  
02:46:39 3 understand, per se. And on their side, it was his to be  
02:46:44 4 able to manage whatever he wanted to do on the Google  
02:46:47 5 side to ensure that where we're collaborating, they  
02:46:50 6 didn't go after our folks.

02:46:52 7 Q. Well, I mean, but there were a number of emails  
02:46:55 8 subsequent to the time that you had this communication  
02:46:58 9 with Mr. Schmidt where people who reported to you at  
02:47:02 10 Intel were confused and incorrect about what the  
02:47:07 11 agreement was.

02:47:08 12 MR. PICKETT: Number of emails you are  
02:47:11 13 referring to, what are you referring to?

02:47:13 14 MR. SAVERI: The ones I've shown you today.

02:47:16 15 MR. PICKETT: There is only one, I think.  
02:47:17 16 That's a number, I agree, but usually when we say there  
02:47:19 17 is a number, that means there is a lot.

02:47:25 18 So I object it's ambiguous and no foundation.

02:47:31 19 MR. SAVERI: Q. Well, did you ever -- did  
02:47:34 20 you ever consider whether or not it would be better  
02:47:40 21 and would limit the ambiguity, which you've just  
02:47:45 22 identified or responded to in this email about, if  
02:47:49 23 you actually reduced this to writing?

02:47:52 24 A. Not particularly. Again, the ambiguity here  
02:47:55 25 was mine as part of a quick response.

03:08:14 1 Q. Is it fair to say, then, with this email you  
03:08:17 2 informed Ms. James what Mr. Schmidt had told you about  
03:08:20 3 Google's policy with respect to recruiting from Intel?

03:08:24 4 A. Well, apparently. But we've also established  
03:08:26 5 that somehow, whether I told her or Richard told her  
03:08:29 6 prior to this, a year prior to this, that she probably  
03:08:33 7 knew.

03:08:39 8 Q. Now, she writes back to you, "I will find  
03:08:41 9 out...it has been a world wide phenomenon."

03:08:44 10 Do you see that?

03:08:45 11 A. Yes.

03:08:46 12 Q. Then she says, "Let me get the data. I always  
03:08:48 13 ask - did we ping them or visa versa. R."

03:08:59 14 Does that indicate to you or refresh your  
03:09:02 15 recollection that she knew for some time that there was  
03:09:06 16 an agreement between Google -- well, strike that.

03:09:09 17 Does that refresh -- strike that.

03:09:13 18 Let me withdraw the question.

03:09:17 19 Did Renee James ever tell you who called in?

03:09:27 20 A. Not that I remember.

03:10:18 21 Q. Subsequent to Exhibit 462, did Eric Schmidt or  
03:10:21 22 Laszlo Bock or anybody at Google tell you that they had  
03:10:26 23 followed up and done an internal investigation regarding  
03:10:31 24 the issues that Renee James raised with you and that you  
03:10:35 25 passed on to Mr. Schmidt?

03:10:36 1 A. No.

03:10:37 2 Q. Did they ever tell you -- did Google ever tell  
03:10:42 3 you that Google's recruiters were strictly following the  
03:10:47 4 do-not-call policy regarding Intel --

03:10:49 5 A. Well "they" who? Laszlo?

03:10:51 6 Q. Let me try to ask a different question.

03:10:53 7 A. Sorry.

03:10:55 8 Q. Did Eric Schmidt or Laszlo Bock or anybody at  
03:10:59 9 Google tell you that they had done an investigation  
03:11:04 10 internally at Google and confirm that Google's  
03:11:12 11 recruiters were strictly following the do-not-call  
03:11:16 12 policy regarding Intel?

03:11:21 13 A. I don't remember.

03:11:21 14 Q. Did Laszlo Bock or Eric Schmidt or anybody at  
03:11:24 15 Google ever tell you that they had done an internal  
03:11:28 16 investigation and confirmed that no one has called,  
03:11:32 17 networked, or emailed into Intel or its subsidiaries  
03:11:36 18 looking for talent?

03:11:38 19 A. They may have. I don't know.

03:11:39 20 Q. Okay. Do you know Arnon Geshuri?

03:11:59 21 A. No.

03:11:59 22 Q. You've never spoken to the man?

03:12:00 23 A. No. Not that I know.

03:12:02 24 Q. Okay. You joined the Google board in 2003; is  
03:12:49 25 that correct?

03:12:49 1 A. Yes.

03:12:51 2 Q. Upon your joining the Google board, did you  
03:12:59 3 immediately suggest collaborations between the two  
03:13:02 4 companies?

03:13:03 5 A. Probably. I know they were a relatively small  
03:13:07 6 customer, but growing. But I'd also met with Google  
03:13:11 7 prior to my being on the board several times.

03:13:14 8 Q. Okay. Were there particular collaborations  
03:13:17 9 that you suggested immediately upon joining the Google  
03:13:20 10 board?

03:13:21 11 A. I may have. I don't know.

03:13:22 12 Q. And is it --

03:13:23 13 A. I remember that they wanted to tap into our  
03:13:26 14 knowledge on how we scaled our company up, and they  
03:13:30 15 wanted information from our finance teams and HR teams,  
03:13:35 16 maybe the legal team as well, on just how companies  
03:13:38 17 grow. And we made our experts in those areas available  
03:13:43 18 to them.

03:13:44 19 In terms of engineering, I know there was work,  
03:13:47 20 because we talked about it this morning, in the '05 time  
03:13:50 21 frame about the software collaboration. And in the time  
03:13:54 22 frame '03 to '05, we were -- most of the engineering  
03:13:58 23 collaboration was around building motherboards for them  
03:14:02 24 to run their data centers.

03:14:04 25 Q. And to the best of your recollection, was the

03:14:06 1 collaboration during that 2003/2005 period limited to  
03:14:10 2 the work done in connection with the motherboards for  
03:14:13 3 data centers?

03:14:14 4 A. Well, in addition to the other stuff I just  
03:14:17 5 talked about in terms of how do companies grow, what are  
03:14:20 6 your systems like. Google was a startup, still, and  
03:14:24 7 trying to figure out how to become a global company.

03:14:34 8 Q. When did you begin discussing customized energy  
03:14:42 9 efficient chips that you believed Intel could --

03:14:46 10 A. Wasn't energy efficient chips, per se, it was  
03:14:48 11 energy efficient data centers so it was not just the  
03:14:51 12 chips. Went beyond that. That started out in the '05  
03:14:54 13 time frame and came to fruition with announcement  
03:14:58 14 probably '06, '07, '08 time frame on the -- energy  
03:15:05 15 savers? I can't remember the name.

03:15:07 16 Q. Climate Savers?

03:15:09 17 A. Climate Savers. Thank you.

03:15:10 18 Do you have the date on that?

03:15:11 19 Q. No, I don't. That's why I was asking.

03:15:16 20 A. Yeah. It's in the probably '06, '07, '08  
03:15:21 21 window.

03:15:22 22 Q. Did Google and Intel collaborate in connection  
03:15:37 23 with a company called Clearwire?

03:15:40 24 A. We each invested in Clearwire, along with other  
03:15:43 25 companies.

04:06:14 1 employees and current employees. We have lost [REDACTED] of the  
04:06:17 2 last [REDACTED] candidates with offers from both firms, [REDACTED]  
04:06:22 3 [REDACTED]  
04:06:24 4 [REDACTED]"

04:06:25 5 Do you see that?

04:06:25 6 A. Yes, I do.

04:06:27 7 Q. At this time, did you believe -- were you  
04:06:36 8 convinced that Facebook was increasingly winning against  
04:06:38 9 Google in hiring new employees?

04:06:42 10 A. I agree with the data here.

04:06:46 11 Q. Did you agree that at this time Facebook was a  
04:06:51 12 strong competitor with respect to hiring Google  
04:06:59 13 employees?

04:06:59 14 A. They were certainly recruiting people from  
04:07:02 15 Google along with other startups. I mean, if you go  
04:07:05 16 back to the beginning of the note it talks about the  
04:07:08 17 context of Facebook and other -- other startups in the  
04:07:12 18 valley.

04:07:12 19 Q. Is it fair to say, though, that at this time  
04:07:14 20 Facebook was a prominent startup at the time?

04:07:19 21 A. It was -- it was a prominent startup -- it was  
04:07:22 22 a well-known startup at the time, but it wasn't the only  
04:07:25 23 one that Google was losing employees to.

04:07:30 24 Q. But you would agree with me that Laszlo Bock's  
04:07:34 25 email to you focuses on Facebook?



04:07:37 1 A. No. He's making a general argument. He starts  
04:07:41 2 out talking about the paragraph above it, people getting  
04:07:44 3 [REDACTED] from startups. So  
04:07:47 4 he's making a general argument about the war for talent  
04:07:52 5 in the Valley.

04:07:54 6 Q. Now, did you believe it was in Google's  
04:08:33 7 interest to increase compensation to its employees and  
04:08:35 8 others in order to retain them in light of these  
04:08:40 9 circumstances, including the competitive thread of  
04:08:43 10 startups, including Facebook?

04:08:45 11 A. Yes, I did. And I ended up voting for a  
04:08:48 12 variant of this proposal.

04:08:49 13 MR. PICKETT: And just to clarify, you say to  
04:08:52 14 its employees. [REDACTED]

04:08:55 15 [REDACTED]

04:08:56 16 MR. SAVERI: Yeah, and the general market  
04:08:57 17 conditions that Mr. Otellini alluded to that Mr. Bock  
04:09:00 18 describes.

04:09:02 19 You can -- you can put that aside.

04:09:46 20 (Whereupon, Exhibit 468 was marked for  
04:09:46 21 identification.)

04:09:47 22 MR. SAVERI: I've handed you Exhibit 468, it  
04:09:51 23 has the Bates Nos. Google 00257207 through 210.

04:10:01 24 Again, it's a -- it's quite a complicated and  
04:10:04 25 dense email. I want to ask you about the portions of

04:10:08 1 this that communicated to you -- well, unfortunately  
04:10:16 2 most of it is.

04:10:25 3 In particular, I want to ask you about the  
04:10:26 4 portion of the email -- about the portion of the  
04:10:29 5 document which is Mr. Schmidt's email to you that starts  
04:10:31 6 on the bottom of page 1 and continues over to page 2.  
04:10:36 7 And I guess your preceding response.

04:11:20 8 A. Okay.

04:11:22 9 Q. Well, let me do it this way: At the bottom of  
04:11:36 10 page 2, Mr. Bock writes to you and Mr. Levinson and Eric  
04:11:40 11 Schmidt and others a long email regarding specific grant  
04:11:44 12 proposals.

04:11:44 13 Do you see that?

04:11:45 14 A. Yes.

04:11:46 15 Q. And you write back on December 12, 2007 asking  
04:11:51 16 two questions.

04:11:51 17 Do you see that?

04:11:52 18 A. Yes.

04:11:55 19 Q. And in item two you write, "I worry that we  
04:12:06 20 will be in a situation of constant reaction."

04:12:10 21 Do you see that?

04:12:11 22 A. Yes.

04:12:12 23 Q. Can you explain to me what that -- what you  
04:12:16 24 were worried about?

04:12:19 25 A. Well, we had -- they had proposed a very large

04:12:22 1 [REDACTED]  
04:12:24 2 [REDACTED]  
04:12:28 3 [REDACTED]  
04:12:34 4 [REDACTED]  
04:12:37 5 [REDACTED]  
04:12:39 6 [REDACTED]  
04:12:41 7 [REDACTED] [REDACTED]  
04:12:44 8 [REDACTED] [REDACTED]  
04:12:47 9 [REDACTED] [REDACTED]  
04:12:51 10 [REDACTED] [REDACTED]  
04:12:53 11 [REDACTED] [REDACTED] And

04:12:58 12 Eric answers that above.

04:12:59 13 Q. And his answer, in part, let me draw your  
04:13:02 14 attention to it, is the paragraph that begins, "Our  
04:13:04 15 ongoing policy."

04:13:05 16 Do you see that?

04:13:05 17 A. I do.

04:13:06 18 Q. He says, "Our ongoing policy is to try to break  
04:13:10 19 the Facebook recruiting [REDACTED]

04:13:14 20 [REDACTED]  
04:13:16 21 [REDACTED]"

04:13:19 22 Do you see that?

04:13:20 23 A. Yes.

04:13:25 24 Q. What did you understand him to mean by "break  
04:13:28 25 the Facebook recruiting"?

04:13:31 1 MR. RUBIN: Objection. Calls for speculation.

04:13:34 2 THE WITNESS: I interpreted this whole thing as  
04:13:38 3 being [REDACTED]

04:13:43 4 [REDACTED]

04:13:47 5 [REDACTED]

04:13:49 6 [REDACTED]

04:13:52 7 MR. SAVERI: Q. And at least with respect  
04:13:52 8 to this specific request, you consented, correct?

04:13:56 9 A. Yes, I did.

04:13:57 10 Q. And did you do that in order -- did you do that  
04:13:59 11 because you believed it was necessary to keep the -- the  
04:14:10 12 talent from going to Facebook?

04:14:13 13 A. I'm only -- I'm only responding to two specific  
04:14:16 14 individuals. So we looked at the -- the names have been  
04:14:20 15 redacted here, [REDACTED] [REDACTED]

04:14:23 16 [REDACTED]

04:14:26 17 [REDACTED] [REDACTED]

04:14:29 18 [REDACTED]

04:14:35 19 [REDACTED]

04:14:37 20 Q. [REDACTED]

04:14:40 21 [REDACTED]

04:14:42 22 [REDACTED]

04:14:46 23 [REDACTED]

04:14:50 24 [REDACTED]

04:14:52 25 [REDACTED]

04:14:53 1 A. Well, people that had noticed that said they  
04:14:56 2 wanted to go to another company somewhere. I don't  
04:14:59 3 think these were both Facebook. That wasn't clear.  
04:15:03 4 One is, and the other was ambiguous.

04:15:28 5 Q. While you were participating in the LDCC, did  
04:15:32 6 this process or effort to match -- excuse me. Or to  
04:15:40 7 address departures from Google to other companies,  
04:15:49 8 including Facebook, continue?

04:15:53 9 A. Yes. But again, it was -- the comp committee

04:15:58 10 [REDACTED]  
04:16:01 11 [REDACTED] What the management team  
04:16:05 12 was doing below that, I'm not sure I know.

04:16:07 13 Q. Okay. [REDACTED]

04:16:10 14 [REDACTED]

04:16:17 15 [REDACTED] --

04:16:23 16 A. Well, no, [REDACTED]

04:16:26 17 [REDACTED]

04:16:28 18 [REDACTED]

04:16:32 19 Q. In the context of those discussions, did -- or  
04:16:35 20 I guess discussions you attended at the -- at the board  
04:16:39 21 generally, did you participate in any discussions  
04:16:44 22 regarding Google's increasing compensation to lower-paid  
04:16:50 23 employees to address competitive threats from Facebook  
04:16:54 24 and other companies in the market?

04:16:56 25 A. Well, there was a proposal that went to the

04:16:59 1 full board on changing the cash compensation composition  
04:17:07 2 to all employees. And that was meant to satisfy their  
04:17:13 3 employees' request for more money in the bank each month  
04:17:16 4 versus bonus, and to raise the overall compensation  
04:17:19 5 from, target to philosophy, of being I think it's [REDACTED]

04:17:22 6 [REDACTED]

04:17:24 7 [REDACTED]

04:17:27 8 [REDACTED]

04:17:31 9 [REDACTED]

04:17:34 10 [REDACTED]

04:17:35 11 Q. When was that?

04:17:36 12 A. Well, it was after these, but not that long  
04:17:38 13 after. I think it was probably 2009, 2008 time frame.

04:17:44 14 Q. Is that different than the -- than Google's  
04:17:48 15 effort to make a 10 percent across the board --

04:17:52 16 A. That's the process I'm talking about. It  
04:17:54 17 wasn't a 10 percent across the board comp increase.  
04:17:56 18 Remember, it was a 10 percent change to base salary with  
04:18:00 19 a corresponding reduction in bonus.

04:18:04 20 Q. And that's also what's been referred to  
04:18:07 21 colloquially as the big bang?

04:18:12 22 A. Yes, it is.

04:18:12 23 Q. Now, going back to 469 -- excuse me. Excuse  
04:18:16 24 me.

04:18:16 25 I had it in front of me and didn't give it to

04:18:18 1 you. I'm sorry. I apologize.

04:18:20 2 (Whereupon, Exhibit 469 was marked for  
04:18:20 3 identification.)

04:18:27 4 MR. PICKETT: He needs to put a sticker on it.

04:18:31 5 MR. SAVERI: I'm sorry. I was doing things too  
04:18:33 6 quickly.

04:18:35 7 Q. So do you have 469 in front of you?

04:18:46 8 A. This is now June.

04:18:48 9 Q. At the top of the chain, just so we're clear,  
04:18:49 10 is an email from Art Levinson to Laszlo Bock dated  
04:18:54 11 June 9, 2008, and the recipients are you, Eric Schmidt,  
04:19:09 12 Bill Campbell, Shona Brown.

04:19:10 13 (Reporter clarification.)

04:20:33 14 THE WITNESS: Okay. I think I've got the gist  
04:20:36 15 of it.

04:20:37 16 MR. SAVERI: Q. Let me take you up from  
04:20:40 17 the back to the front of the document. The first  
04:20:43 18 part of the chain is an email from Laszlo Bock to  
04:20:46 19 Art Levinson, yourself, Eric Schmidt, Bill Campbell,  
04:20:52 20 Shona Brown, Frank Wagner and others.

04:20:54 21 Do you see that?

04:20:55 22 A. Yes.

04:20:56 23 Q. Now, Mr. Bock writes, "Art & Paul," that's  
04:20:59 24 Mr. Levinson and yourself, correct?

04:21:01 25 A. Yes.

04:22:31 1

Q. [REDACTED]

04:22:35 2

A. [REDACTED]

04:22:38 3

[REDACTED]

04:22:41 4

[REDACTED]

04:22:46 5

[REDACTED]

04:22:51 6

[REDACTED]

04:22:55 7

[REDACTED]

04:22:57 8

Q. So do you agree that that was unusual?

04:23:04 9

A. Well, it was -- it was consistent with the

04:23:06 10

whole philosophy around the [REDACTED]

04:23:13 11

[REDACTED]

04:23:17 12

[REDACTED] So it's not unusual from that

04:23:20 13

perspective.

04:23:22 14

Q. Did Intel ever make preemptive grants in order

04:23:26 15

to retain people?

04:23:27 16

A. I suspect back in the days when there were lots

04:23:31 17

of semiconductor startups we would have done that.

04:23:33 18

Q. But by the time you took the helm of the

04:23:35 19

company --

04:23:36 20

A. By the time Andy Grove took the helm of the

04:23:39 21

company. Because the days of semiconductor startups

04:23:41 22

were the '70s.

04:23:43 23

Q. So that was a thing of the past by the time you

04:23:45 24

had come to Intel --

04:23:46 25

A. By then we were a big mature company and a big



04:23:49 1 mature industry.

04:23:50 2 Q. If you turn to page 2 of the -- of the -- of

04:23:55 3 the email, I'm just kind of skipping ahead. There is

04:23:58 4 another email from Mr. Bock to you and Mr. Levinson.

04:24:06 5 And there is a reference to an OSO director.

04:24:09 6 A. Yes.

04:24:10 7 Q. Was that [REDACTED]; do you recall?

04:24:13 8 A. I don't recall.

04:24:21 9 Q. In substance, [REDACTED]

04:24:25 10 [REDACTED]; is that a fair summary?

04:24:28 11 A. I'm sorry. Are you on the middle one here?

04:24:30 12 Q. Yes.

04:24:37 13 MR. PICKETT: Your question means approve,

04:24:38 14 not --

04:24:39 15 MR. SAVERI: Oh, excuse me.

04:24:41 16 MR. PICKETT: -- personally to raise her comp.

04:24:49 17 MR. SAVERI: I'm sorry. Let me ask the

04:24:50 18 question again.

04:24:51 19 MR. PICKETT: Sure.

04:24:51 20 MR. SAVERI: Q. Is it fair to say that the

04:24:53 21 point of Mr. Bock's message was to [REDACTED]

04:24:56 22 [REDACTED]

04:25:02 23 [REDACTED]

04:25:05 24 [REDACTED]

04:25:07 25 A. It's hard -- I really have a hard time, because

04:25:09 1 of the redactions, if this whole paragraph talks about a  
04:25:14 2 single person or multiple people. The top part talks  
04:25:17 3 about the fact [REDACTED]  
04:25:21 4 [REDACTED] then it shifts to talking about another she. Or  
04:25:24 5 maybe the same she. And then it says that someone  
04:25:27 6 intends -- [REDACTED]  
04:25:29 7 [REDACTED] [REDACTED]  
04:25:33 8 [REDACTED] So I think it's  
04:25:36 9 all the same person, but I can't -- I can't put all the  
04:25:39 10 pieces together.

04:25:40 11 Q. Fair enough. But whatever it was, you agreed  
04:25:42 12 to it?

04:25:43 13 A. Yes.

04:25:43 14 Q. Okay. And if you flip ahead in the document,  
04:25:48 15 is it also fair to say that at least in this situation,  
04:25:54 16 Google's efforts were successful because the person  
04:25:58 17 decided to stay at Google?

04:26:01 18 A. If that's the same person, yes. That's, again,  
04:26:05 19 redacted.

04:26:07 20 MR. SAVERI: You can put that aside.

04:26:29 21 I'm sorry I've blown through all the numbers.  
04:26:30 22 What's the next?

04:26:31 23 MR. PICKETT: 470.

04:26:34 24 (Whereupon, Exhibit 470 was marked for  
04:26:34 25 identification.)

04:26:36 1 MR. SAVERI: Q. I've handed you what's  
04:26:37 2 been marked as 470. It has the Bates numbers  
04:26:53 3 GOOG-HIGH-TECH-00455027 through 35.

04:27:08 4 It's rather a long document. I'm going to ask  
04:27:11 5 you about the portions of it that refer to you by name,  
04:27:15 6 and then in particular the portions that are on page 2,  
04:27:23 7 Summary of Key Guidance. And then there is a section on  
04:27:27 8 page 4 that talks about Talent Retention and Attraction.

04:27:35 9 A. Well, you want me to read all that first?

04:27:38 10 Q. I think you should read whatever you think you  
04:27:40 11 need to be comfortable with the document.

04:27:41 12 A. I don't remember the document, so it's --

04:27:44 13 Q. Okay.

04:27:44 14 A. -- it will take a while.

04:32:12 15 Okay.

04:32:12 16 Q. Have you had a chance to review the document?

04:32:14 17 A. I have.

04:32:15 18 Q. Now, at the top of the first page, the title of  
04:32:20 19 the document says Minutes of a Regular Meeting of the  
04:32:24 20 Leadership Development and Compensation Committee of the  
04:32:26 21 Board of Directors of Google Inc. October 14th, 2009.

04:32:31 22 Do you see that?

04:32:32 23 A. I do.

04:32:35 24 Q. Is this an example of minutes of an LDCC  
04:32:39 25 meeting that you attended?

05:11:08 1 3308.

05:11:23 2 And Mr. Otellini, I'll just tell you the  
05:11:25 3 question I'm going to ask. I just want to know if this  
05:11:27 4 is the revised compensation proposal that was also known  
05:11:36 5 as the big bang that was approved by the Google board?

05:12:01 6 A. I think so.

05:12:03 7 Q. Now, the top of the -- the top of the email in  
05:12:08 8 the Summary says, "On 13-October-2010, we presented a  
05:12:12 9 compensation philosophy proposal to the LDCC and full  
05:12:16 10 Board."

05:12:16 11 Do you see that?

05:12:17 12 A. Yes.

05:12:18 13 Q. Did the LDCC meet on that date?

05:12:21 14 A. Well, if that's a board meeting, there is  
05:12:24 15 typically an LDCC meeting in the morning.

05:12:26 16 Q. Okay. And just as a matter of corporate  
05:12:29 17 governance, is it your recollection that there was an  
05:12:32 18 LDCC meeting in the morning to discuss this?

05:12:35 19 A. I think I just answered that question.

05:12:38 20 Q. Was there a full board meeting in the  
05:12:40 21 afternoon?

05:12:41 22 A. I'd have to check my calendar. This appears to  
05:12:44 23 suggest that was the date.

05:12:46 24 Q. And did you vote in favor of this?

05:12:49 25 A. I don't know that there was a vote. But I was

05:12:55 1 in favor of the program.

05:12:56 2 Q. Was there anybody who participated in the LDCC  
05:12:59 3 or the full board who was not in favor of the proposal?

05:13:02 4 A. Not that I remember.

05:14:00 5 (Whereupon, Exhibit 474 was marked for  
05:14:00 6 identification.)

05:14:23 7 MR. SAVERI: Q. I've handed you what's  
05:14:24 8 been marked as Exhibit 474, Bates No. 76616DOC005972  
05:14:34 9 to 973.

05:14:36 10 Draw your attention to the top of the first  
05:14:38 11 page which is an email from Laszlo Bock to yourself with  
05:14:42 12 copies to Eric Schmidt and Shona Brown and John Doerr  
05:14:47 13 dated November 16, 2010.

05:14:48 14 Do you have that in front of you?

05:14:50 15 A. I do.

05:14:51 16 Q. Did you receive this email from Laszlo Bock on  
05:14:53 17 or about the date that's indicated?

05:14:56 18 A. Very likely.

05:14:57 19 Q. Do you have any reason to believe you did not?

05:15:01 20 A. No.

05:15:02 21 Q. You can put that aside.

05:15:20 22 Did you believe the big bang was a success?

05:15:23 23 A. I think it's still too soon to tell, but the

05:15:27 24 Google attrition rate in total is very good for the

05:15:32 25 Valley and their industry. So as measured by that, it's

05:15:38 1 gotten better and we've retained a larger fraction of  
05:15:41 2 our workforce.

05:15:46 3 (Whereupon, Exhibit 475 was marked for  
05:15:46 4 identification.)

05:16:06 5 MR. SAVERI: Q. 475 is an email from  
05:16:10 6 Laszlo Bock to a number of individuals including  
05:16:17 7 John Doerr, yourself, John Hennessy, Shirley  
05:16:20 8 Tilghman and others.

05:16:22 9 And for purposes of the record, it's a document  
05:16:27 10 with the Bates number Google 00252681.

05:16:32 11 Do you have that in front of you?

05:16:33 12 A. Yes, I do.

05:16:35 13 Q. Did you receive this email from Mr. Bock on or  
05:16:38 14 about this date?

05:16:39 15 A. Probably.

05:16:40 16 Q. Now, were the individuals who were identified  
05:16:48 17 here members of the Google board of directors?

05:16:52 18 A. On the -- the "To" line, they are.

05:16:59 19 Q. So in January of 2011, John Hennessy was a  
05:17:02 20 member of the Google board, correct?

05:17:04 21 A. Yes.

05:17:05 22 Q. At the time, was he -- that's the John Hennessy  
05:17:07 23 who is the president of Stanford?

05:17:09 24 A. Yes.

05:17:10 25 Q. And at this time, Shirley -- is it Tilghman?

05:17:16 1 A. Tilghman.

05:17:18 2 Q. Was she the head of Princeton at the time?

05:17:20 3 A. Yes.

05:17:21 4 Q. And Ram Shriram -- okay. And both Mr. Shriram  
05:17:29 5 and Ann Mather were also members of the board?

05:17:32 6 A. Yes.

05:17:32 7 Q. And are the persons -- well, was Mr. Campbell a  
05:17:36 8 member of the board at this time?

05:17:37 9 A. No. Nor has he ever been.

05:17:42 10 Q. I understand that. Mr. Schmidt, Larry Page,  
05:17:45 11 Sergey Brin, Shona Brown, Kent Walker, at the time they  
05:17:49 12 were all employees of Google, correct?

05:17:51 13 A. Yes, they were.

05:17:53 14 Q. Now, Mr. Bock writes, "At the January 12 Board  
05:17:56 15 meeting, Sergey," that's Sergey Brin, "asked that we  
05:17:59 16 provide the Board the number of hires we have made from  
05:18:01 17 Facebook and Twitter, and that we include those data in  
05:18:04 18 the Board materials going forward."

05:18:06 19 Do you see that?

05:18:07 20 A. Yes.

05:18:07 21 Q. And then there are some statistics set forth  
05:18:09 22 regarding that subject.

05:18:10 23 Do you see that?

05:18:11 24 A. I do.

05:18:12 25 Q. Was it your understanding that this represented

05:18:15 1 an improvement at Google in its efforts to retain or  
05:18:22 2 hire employees?

05:18:25 3 A. I don't think this speaks to that. This speaks  
05:18:28 4 specifically to employees that came into Google from  
05:18:32 5 these firms.

05:18:34 6 Q. Well, prior to this time, had Google been able  
05:18:39 7 to recruit employees from these firms at similar levels?  
05:18:46 8 Do you recall?

05:18:47 9 A. I don't know. I don't have the data.

05:18:49 10 Q. Was that data that was provided to the Google  
05:18:52 11 board? That sort of data?

05:18:56 12 MR. RUBIN: Objection. Vague.

05:18:59 13 THE WITNESS: I don't believe that we'd ever  
05:19:01 14 asked for data in terms of hiring into Google from those  
05:19:05 15 firms before this January 12th request where Sergey  
05:19:10 16 requested it.

05:19:30 17 MR. SAVERI: Q. I'm going to switch  
05:19:32 18 subjects for a second. We've talked a couple times,  
05:19:43 19 and perhaps more than a couple times today, about  
05:19:45 20 something called focal; do you recall that?

05:19:48 21 A. I mentioned the word.

05:19:54 22 Q. What -- can you describe for me generally what  
05:19:57 23 focal was with respect to the setting of compensation as  
05:20:02 24 a general matter at Intel?

05:20:04 25 A. Focal was the annual review process -- is the



05:20:09 1 annual review process. Every employee in the company,  
05:20:12 2 top to bottom, is reviewed, ranked and rated in terms of  
05:20:17 3 their performance. A performance assessment evaluation  
05:20:21 4 is written and delivered to the employee.

05:20:25 5 As part of that process, people's compensation  
05:20:27 6 is reviewed and adjustments are made, promotions are  
05:20:33 7 made, performance warnings may be given. A number of  
05:20:38 8 things.

05:20:39 9 Q. Was there anyone who worked for Intel whose  
05:20:42 10 compensation wasn't part of the focal process?

05:20:47 11 A. Yes. The 16(b) officers.

05:20:50 12 Q. Other than the 16(b) officers, was there  
05:20:53 13 anybody whose compensation was not set --

05:21:00 14 A. Through that process? No.

05:21:02 15 Q. And that included you?

05:21:04 16 A. I'm a 16(b) officer.

05:21:05 17 Q. I'm sorry. Fair enough.

05:21:07 18 Now, as the CEO of the company, what was your  
05:21:18 19 role in the focal process?

05:21:21 20 A. I would approve the annual budget for the merit  
05:21:28 21 increases, approve the annual budget for promotions in  
05:21:33 22 terms of cost. We would look at that by major  
05:21:39 23 geography, major country, essentially. Look at the  
05:21:43 24 number of employees, the data behind that in terms of  
05:21:47 25 market movements, attrition, those kinds of things.

05:21:49 1 We'd also look at the overall budget for stock,  
05:21:54 2 both options and restricted shares and approve that.  
05:22:00 3 That approval I would make, and then it would go -- on  
05:22:02 4 the stock would go to the board for final approval. And  
05:22:10 5 I would do the direct evaluation and promotion  
05:22:16 6 recommendations for my direct staff and for corporate  
05:22:19 7 officers.

05:22:28 8 Q. And on an employee-by-employee basis, what were  
05:22:31 9 the basic elements of compensation that were set by the  
05:22:34 10 focal process?

05:22:35 11 A. Well, nothing on an employee-by-employee  
05:22:38 12 basis --

05:22:38 13 Q. That was --

05:22:39 14 A. -- my level. Right?

05:22:40 15 Q. That was a poor question. As part of the focal  
05:22:43 16 process, was base compensation set?

05:22:45 17 A. For whom?

05:22:47 18 Q. For --

05:22:49 19 A. For any given employee? By his or her manager,  
05:22:53 20 yes.

05:22:55 21 Q. Were salary ranges established for particular  
05:23:02 22 employee grades as part of the focal process?

05:23:06 23 A. By job class and grade, yes, the human  
05:23:09 24 resources department would have these large ranges of  
05:23:12 25 compensation that would vary by country, by degree, by

05:23:18 1 were people working in engineering and nonengineering  
05:23:20 2 and so forth. And they would update those -- at least  
05:23:25 3 review those and update them as needed.

05:23:28 4 Q. As the CEO, did you have -- was it part of your  
05:23:33 5 responsibility to set ranges for particular job  
05:23:36 6 categories or job grades as part of the focal process?

05:23:39 7 A. Not -- not -- not for the rank and file. I  
05:23:42 8 certainly would be involved in discussing any changes at  
05:23:45 9 the executive ranks.

05:23:47 10 Q. So organizationally, who was responsible for  
05:23:50 11 setting salary ranges for particular employee grades  
05:23:55 12 or --

05:23:57 13 A. You used the word setting. There's an entire  
05:24:01 14 compensation department that's looking at, you know, the  
05:24:04 15 120 countries in which we operate, what the markets are,  
05:24:08 16 gathering data. And that rolls up and is approved by --  
05:24:12 17 at various levels in the organization by the various  
05:24:15 18 managers who have oversee, whether it's at a certain  
05:24:18 19 geography or at a corporate level. Oversight.

05:24:28 20 Q. Was there a particular person or department  
05:24:33 21 that was responsible for the focal process? Was it HR?

05:24:38 22 A. HR -- well, HR would manage the process. At  
05:24:41 23 the end of the day, the employee's direct manager is the  
05:24:45 24 one responsible.

05:24:47 25 Q. Well, in terms of the -- well, would -- as a

05:24:50 1 matter of practice, did the HR department make a  
05:24:52 2 recommendation to you as the CEO about -- well, what  
05:24:57 3 kind of recommendations would they make to you as part  
05:24:59 4 of the focal process?

05:25:01 5 A. Well, I mentioned that already. That was all  
05:25:03 6 of -- the overall by country increases in merit and  
05:25:08 7 promotion. Budgets. And I talked about the executive  
05:25:12 8 ranks and the stock ranks.

05:25:14 9 Q. Was there a particular time of year that the  
05:25:15 10 focal process was started in?

05:25:18 11 A. Yes. Two different times of the year. It  
05:25:21 12 is -- the focal was delivered in April for all but the  
05:25:25 13 officer ranks at the company, and is delivered in  
05:25:29 14 January/February for the officer ranks.

05:25:32 15 Q. What is T comp?

05:25:34 16 A. That's a shorthand phrase for total  
05:25:36 17 compensation.

05:25:40 18 Q. And was T comp set as part of the focal process  
05:25:45 19 too?

05:25:46 20 A. T comp is an individual level number. It  
05:25:52 21 includes the individual's base salary, his or her bonus,  
05:25:56 22 any of the variable pay packages and the equity grants.  
05:26:00 23 So there is no T comp aggregate, except the large number  
05:26:04 24 which is our total compensation cost.

05:26:14 25 Q. Now, as a general matter, did you believe that

05:26:24 1 Intel established compensation based upon the market?

05:26:28 2 A. That's been our principle and -- I'm sorry. We  
05:26:32 3 established -- we establish the ranges based upon our  
05:26:35 4 view of the market, and then we target individuals  
05:26:39 5 inside those based upon their experience, performance,  
05:26:44 6 time in grade, those kinds of things.

05:27:40 7 (Whereupon, Exhibit 476 was marked for  
05:27:40 8 identification.)

05:28:04 9 (Discussion off the record.)

05:28:12 10 MR. SAVERI: Q. Mr. Otellini, I've handed  
05:28:22 11 you what's been marked as Exhibit 476. It has the  
05:28:23 12 Bates No. 76616DOC000763.

05:28:35 13 The top of the document is an email from you to  
05:28:39 14 someone named Mark Fichtner. Do you see that?

05:28:44 15 A. Yes.

05:28:45 16 Q. Did you write this email to Mr. Fichtner?

05:28:48 17 A. Yes, I did.

05:28:49 18 Q. And you say, "Our pay philosophy is  
05:28:51 19 straightforward. We pay salary and bonus based upon  
05:28:54 20 market. We remain very competitive there."

05:28:57 21 Do you see that?

05:28:58 22 A. Yes.

05:28:58 23 Q. Is that a -- an accurate statement?

05:29:00 24 A. Yes.

05:29:08 25 Q. Now, from time to time, did -- were you

05:52:12 1 Q. But my question, sir, was after you wrote this  
05:52:14 2 email, did you ever make any subsequent communication  
05:52:18 3 to -- with respect to the subject further clarifying any  
05:52:25 4 ambiguity in your response?

05:52:27 5 A. You asked that question, I said no, and then I  
05:52:29 6 went on and explained.

05:52:30 7 Q. Now, when did you first -- subsequent to  
05:52:46 8 writing your email, did you have any conversation with  
05:52:52 9 Ms. Thompson or anybody else about this subject where  
05:52:54 10 they raised any questions about what you meant in this  
05:52:58 11 email?

05:52:59 12 A. Not that I recall.

05:53:02 13 MR. SAVERI: I think I'm done. I'm certain I'm  
05:53:04 14 done.

05:53:05 15 Thank you for your time, sir.

05:53:06 16 THE WITNESS: Good. I think I'm done.

05:53:08 17 MR. PICKETT: Thank you.

05:53:08 18 THE VIDEOGRAPHER: This is the end of video 4  
05:53:09 19 of 4 and concludes today's proceedings.

05:53:12 20 The master videos will be retained by Jordan  
05:53:13 21 Media.

05:53:15 22 We are now off the record and the time is 5:53.

06:47:44 23 (The deposition concluded at 5:53 PM)

06:47:44 24

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1 I, Gina V. Carbone, Certified Shorthand  
2 Reporter licensed in the State of California, License  
3 No. 8249, hereby certify that the deponent was by me  
4 first duly sworn and the foregoing testimony was  
5 reported by me and was thereafter transcribed with  
6 computer-aided transcription; that the foregoing is a  
7 full, complete, and true record of said proceedings.

8 I further certify that I am not of counsel or  
9 attorney for either of any of the parties in the  
10 foregoing proceeding and caption named or in any way  
11 interested in the outcome of the cause in said caption.

12 The dismantling, unsealing, or unbinding of  
13 the original transcript will render the reporter's  
14 certificates null and void.

15 In witness whereof, I have hereunto set my  
16 hand this day: February 1, 2013.

17 \_\_\_\_\_ Reading and Signing was requested.

18 \_\_\_\_\_ Reading and Signing was waived.

19 \_\_\_X\_\_\_ Reading and signing was not requested.

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23

\_\_\_\_\_  
GINA V. CARBONE

24

CSR 8249, RPR, CCRR

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